



## Land Banking Without Public Money

Posted by [Pierluigi Oliverio](#) on Monday, September 21, 2009

Last week, at the Council meeting, there was a contentious land use item. A housing developer is asking the council to approve a rezoning of land to allow a 117-unit affordable Shared Room Occupancy (SRO).

Currently, there are business owners, adjacent property owners, and residents who do not support this project. I have been a councilmember for more than two years and I have never seen each of these groups on the same page. Ninety-five percent of the adjacent property owners are against the rezoning. They took the time to file and get their signatures notarized for a zoning protest application and therefore it requires eight council votes to approve the project instead of six.

Ninety-five percent is unheard of—thus showing a high level of opposition. One of the adjacent industrial property owners said, “where will people work in San Jose if the Council continues to change land for jobs to land for housing?” Industrial uses are becoming harder to locate in this City since residents do not want noise or truck traffic.

All of the speakers spoke against the rezoning at the council meeting. I had already heard these comments, because I attended the community meeting in my district for this project and watched the entire planning commission discussion. Furthermore, they have e-mailed the council and mayor regarding their concerns. For many of the residents, this was their first experience with the City of San Jose since their neighborhood is being annexed.

I am a member of the General Plan 2040 Task force (GP2040). This makes me think of the best long-term uses of land citywide. In the past the council has made decisions based on the short-term rather than the long-term view. GP2040 is about learning from historical mistakes, being strategic with land use and planning our future.

The council spent over \$100 million being strategic by «land banking» to provide development sites which have led to economic

development. However, we also have the power to land bank without spending a dime ... by simply voting no on projects that do not have the best long term interest for the City.

I believe that saying "just say no" to conversion of commercial/industrial land equals more land for jobs and a tax base to pay for neighborhood services.

The location is a gateway parcel on San Carlos between Sunol and McEvoy linking Downtown to Santana Row. The current proposal divides two other parcels (Sam's Downtown Feed & Pizza Jacks) which does not allow for a development that is more focused on economic development. This odd shaped parcel does not allow for proper parking to be built out underneath since it divides two other properties. Otherwise the proposed parking is problematic for the neighborhood since it only provides 65 parking spaces for maximum occupancy of 234 people.

Shasta-Hanchett neighborhood board members have said, "If we are going to get a baseball stadium, wouldn't this land would become more valuable?" I agree with them. This parcel should have an economic development aspect that could also have housing (affordable or market rate) on the top of significant retail by developing the entire parcel and not a divided one.

The current affordable housing proposal does not pay park fees or construction tax fees in a neighborhood that is identified as park deficient. We spoke about this deficiency Sept. 8 at the council study session for the Greenprint, and this rezoning would exacerbate the problem. San Jose has lost out on as much \$60-90 million in park fees alone.

There is some concern about the concentration of affordable housing in this area. There is an affordable housing project right down street at the old Fiesta Lanes Bowl (another commercial-to-residential land conversion). 1,000 feet away we have eight stories of affordable housing on Bird and San Carlos and 300 feet from that another affordable project called Esperanza. A 100-percent affordable project on Lenzen, affordable senior housing next to MidTown Safeway. 400 feet the other direction 777 Park Ave. will be another 100 percent affordable project of 200 units. The Council just approved 42 affordable units on San Carlos and Meridian this Spring.

In December of this year, the Council will get another proposal on a mixed use project of 160 affordable units right across the street however that parcel is already zoned residential. Unlike the 1,500

additional housing units where housing was not planned, like DelMonte Cannery (600 units), Lou's Village (100 units) and Sobrato office park (800 units).

Based on annexation zoning rules we can look at this parcel in two years when we know if there will be a future ballpark or not. Construction on this development was not going to occur for 2-3 years anyway so now is not the time to rezone. Due to the 2-3 year out construction schedule, there is no viable argument that this will spur construction jobs.

The proposed SRO would be in the vicinity of a proposed light rail station that other developers have given money towards; however, the VTA has not given a firm commitment to fund the station. (By the way, a light rail station does not need to be art, just give me an ADA compliant concrete slab and then in the future if we have the money we can do something fancy.)

I made a motion to deny the rezoning and was seconded by the mayor. The developer asked for another week to try and work with the adjacent property owners to make the project better. The council gave the developer a week to make it work. It's not about the project; its about the loss of employment land and the loss of infrastructure fees for the City.

Saying no to bad proposals is cheaper then land banking with public funds.

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